



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CEMP-MA (415)

09 DEC 1998

MEMORANDUM FOR COMMANDERS, MAJOR SUBORDINATE COMMANDS

SUBJECT: Approval Authority for Changes to Military Construction, Army (MCA) and Army Family Housing Construction (AFHC) Projects

1. Reference:

a. DAEN-ZCR-R memorandum, 5 April 1993, subject: Approval Authority for Changes to Military Construction Projects.

b. CEMP-MA memorandum, 9 November 1993, subject as above.

2. Reference 1.a. established HQDA procedures for the approval of changes to MILCON projects. Reference 1.b. was HQUSACE guidance on implementing those new procedures.

3. It has been five years since those original change-approval procedures were published. HQDA has reissued them in the latest edition of AR 415-15, Army Military Construction Program Development and Execution, dated 4 Sep 98. Although the wording of the earlier version has been revised and the format modified, the basic policy remains unchanged. A copy of the respective section (Appendix M) of the regulation is enclosed for your information and appropriate use.


4. Because of the amount of time that has elapsed since the guidance was first published and the fact that it has been reissued in the form of an Army regulation, it is appropriate to re-emphasize the importance of this long-standing policy. It has been very successful in giving our Army customers the desired involvement in the project delivery process.

5. We will continue to follow the policy and comply with the procedures. We have updated the USACE implementation guidance as it relates to discretionary changes. This updated guidance is straightforward and a copy is enclosed.

6. Thank you for helping to make these procedures a success. Your continued support is essential.

FOR THE COMMANDER:

2 Encls


MILTON HUNTER
Major General, USA
Director of Military Programs

CF:
DAIM-FDC

Appendix M

Authority for Approval of Changes to MILCON Projects Funded by MCA, UMMCA, and AFH Appropriations

M-1. Changes associated with Military Construction, Army and Army Family Housing projects after budget lock

There are two types of changes associated with MCA, UMMCA and AFH projects:

a. **Mandatory changes.** Unavoidable changes required to provide a complete and useable facility. Such changes are caused by unforeseen factors discovered during design or construction (e.g. design oversights and errors, mandatory criteria changes, construction site conditions, or unavailability of materials). These changes include those absolutely necessary for completion of the project; but not those justified by improved efficiency of operation, maintainability, function or appearance.

b. **Discretionary changes.** Changes not absolutely required to provide a complete and useable facility which meets operational requirements. This would include any criteria changes that are not mandatory for ongoing projects and changes that would improve the efficiency, maintainability, functionality, or appearance of the facility. Basically, any change that is not absolutely necessary is considered discretionary. Table M-1 summarizes the approval authorities for changes to MCA, UMMCA, and AFH projects.

M-2. Approval of mandatory changes

Approval follows USACE command lines to HQDA and the Congress, as appropriate for the funding authority required for mandatory changes.

M-3. Approval of discretionary changes prior to budget lock

MACOMs may normally approve changes during concept design (35 percent) or parametric design (5-15 percent) to incorporate user requirements prior to budget lock as long as the project meets the intent and general scope approved by the CRRC.

M-4. Approval of discretionary changes after budget lock and prior to construction contract award

MACOMs may approve discretionary changes, after budget lock and before construction contract award (but preferably before project advertisement), provided all conditions below are met. If any condition is not met, the change must be approved by HQDA (DAIM-FD).

a. The change is in accordance with technical criteria (normally published in USACE technical publications or Army technical manuals) and Army standards (standard designs, etc.).

b. The change does not cause the CWE to exceed the PA.

c. The change is within the scope of the DD Form 1391-EF presented to the Congress with the Budget Justification and does not cause a change in the scope of the project.

d. Incorporation of the change does not cause the scheduled award date to slip.

e. The total of discretionary changes does not cause any increase in the original design cost budget for the project.

M-5. Approval of discretionary changes after construction contract award

MACOMs may approve discretionary changes after construction contract award provided all of the conditions below are met. If any condition is not met, then the change must be approved by HQDA (DAIM-FD).

a. The cumulative amount of discretionary changes on the project does not exceed one percent of the initial contract amount (this is in addition to the USACE district's authority for mandatory changes).

b. The cost of a change includes design and delay costs, as well as, the direct cost of the change.

c. The change is in accordance with technical criteria and Army standards.

d. The change is within the scope of the DD Form 1391-EF presented to the Congress with the Budget Justification.

M-6. USACE involvement in discretionary changes

MACOMs and installations are required to obtain USACE district evaluation of proposed changes to include cost and time estimates and impacts. The USACE district evaluation and estimates must be included as supporting documentation for any approval request. HQDA may require HQUSACE to provide additional technical review on requests for approval. HQUSACE will ensure that funds are available in USACE districts to implement MACOM and installation approved changes. Funds for HQDA approved changes will be issued by HQUSACE to USACE districts at the time of approval.

M-7. Relationship to Army approved standard designs

Any changes that would cause a deviation from a standard design must also be approved in accordance with the procedures of the Army Standard Design Program.

M-8. HQDA approval

Requests for approval of changes that exceed the programming MACOM authority will be forwarded to HQDA (DAIM-FI).

Table M-1. Approval Authority for MILCON Change Management - MCA, UMMCA, and AFH

	Design Changes (After Budget Lock)		Construction Changes	
Approval Authority	Mandatory	Discretionary	Mandatory	Discretionary
USACE District	All changes IAW technical criteria, and within approved PA and scope.	No Approval Authority (Provides analysis to installations)	All changes within approved scope; and with a cumulative cost not to exceed 2 percent of the contract amount.	No Approval Authority (Provides analysis to installations)
USACE Division	Evaluates and forwards to HQUSACE.	No Approval Authority	Evaluates and forwards to HQUSACE.	No Approval Authority
HQUSACE	Approves changes either not IAW technical criteria; or cause the project CWE to exceed PA by no more than 15 percent or \$1.5M, whichever is less. *	No Approval Authority	Approves changes either not IAW technical criteria; or cause the project CWE to exceed PA by no more than 15 percent or \$1.5M, whichever is less.	No Approval Authority
Customer or Installation	No Approval Authority	Initiates request through Installation to MACOM	No Approval Authority	Initiates request through Installation to MACOM.
MACOM	No Approval Authority	Approves changes IAW technical criteria, and within approved PA and scope.	No Approval Authority	Approves changes IAW technical criteria; within approved scope; and with a cumulative cost not to exceed 1 percent of the initial contract amount.
HQDA and/or DASA-IH	Approves changes which are not within the approved scope, or which cause the project CWE to exceed PA by more than 15 percent or \$1.5M, whichever is less.	Approves changes which are not IAW technical criteria, not within the approved scope, or which cause the project CWE to exceed the PA.	Approves changes which are not within the approved scope, or which cause the project CWE to exceed PA by no more than 25 percent or \$2M, whichever is less.	Approves changes which are not IAW technical criteria, not within the approved scope, or have a cumulative cost exceeding 1 percent of the initial contract amount.
Congress	Not Applicable	Not Applicable	Approves changes that cause CWE to exceed PA by 25 percent or \$2M, whichever is less.	Approves changes that cause CWE to exceed PA by 25 Percent or \$2M, whichever is less.

* Coordinate with DAIM-FD regarding scope and cost adjustment during budget markup to Congress

Note: If the project CWE is more than 15 percent or \$1.5 million over the PA (whichever is less), then all further user-requested changes must be approved by ACSIM (DAIM-FD) even if the full one percent allotment has not been used.

USACE implementation guidance for Appendix K of AR 415-15, Army Military Construction Program Development and Execution, dated 4 Sep 98

The district's Project Manager, with appropriate technical input from the corresponding functions within the district, is responsible for all discretionary change procedures. This includes allocating the funds and assisting the customer with requests requiring MACOM and/or HQDA approval.

Timely and accurate USACE input into cost, scope, and schedule impacts of proposed changes is essential. The Project Manager, with appropriate technical input from the corresponding functions within the district, shall provide complete supporting evaluation to the user within 15 calendar days of receipt of request.

All funds requests based on the construction award Current Working Estimate will include 1% for contingencies that are reserved for user-requested discretionary changes. District Project Managers do not approve the use of this reserve. The Project Manager, however, must assure that the change does not violate statutes or Federal Acquisition Regulations. District Project Managers do not have authority to increase construction contracts above the initial one percent contingency amount for discretionary changes, unless specifically authorized by directive and funded by HQUSACE (CEMP-MA) as a result of approval from HQDA.